

**POSTED**  
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***Application of Harbor Island Utilities, Inc.  
for approval of a new schedule of rates and charges  
for water and sewer service provided to residential  
and commercial customers in Harbor Island,  
Beaufort County, SC***

***Docket No. 2002-239-W/S***

***Testimony of  
William O. Richardson  
Utilities Department***

***Public Service Commission of South Carolina***

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SC PUBLIC SERVICE  
COMMISSION

RETURN DATE: OK DBL  
SERVICE: OK DBL

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

2 **A.** William O. Richardson, 101 Executive Center Drive, Columbia, South Carolina  
3 29210. I am employed by the Public Service Commission of South Carolina,  
4 Utilities Department, as Acting Chief Water and Wastewater.

5 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND**  
6 **EXPERIENCE.**

7 **A.** I received a Bachelor of Science Degree in Electrical and Computer Engineering  
8 from Clemson University in 1975. After graduation I was employed by Daniel  
9 Construction Company as an Electrical Engineer in the Power Division. In  
10 1978 I was employed by this Commission as an Engineer Associate II. I have  
11 attended various courses and seminars related to engineering, life analysis and  
12 accounting relationships. I have testified before this Commission in other  
13 proceedings involving fuel adjustment clauses, purchased gas adjustments,  
14 and rate case proceedings of electric, water and wastewater utilities.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
16 **PROCEEDING?**

17 **A.** The purpose of my testimony is to set forth, in summary form, the Staff's  
18 findings relative to the determination of the amount of additional operating  
19 revenues that would result from the implementation of the proposed  
20 schedules of rates and charges.

21 **Q. I SHOW YOU THE REPORT, TITLED, "COMMISSION STAFF REPORT,**  
22 **HARBOR ISLAND UTILITIES, INC., SOUTH CAROLINA PUBLIC**  
23 **SERVICE COMMISSION, DOCKET NO. 2002-239-W/S." ARE THE**  
24 **FINDINGS OF YOUR REVIEW CONTAINED IN THIS REPORT?**

25 **A.** Yes, they are contained under the Utilities Department tab.

26 **Q. PLEASE EXPLAIN HOW YOU COMPILED THE INFORMATION IN YOUR**  
27 **REPORT.**

28 **A.** By using the information provided by the Company in its Application and the  
29 Company's responses to Staff's Data Requests and an audit of the Company's  
30 books and records, Staff was able to determine the amount of additional  
31 operating revenues which would be produced by the proposed rates.

1 **Q. PLEASE EXPLAIN EXHIBIT NO. 1 OF YOUR REPORT.**

2 **A.** Exhibit No. 1 contains the currently approved rates and charges, the  
3 proposed rates and charges and a summary of the requested changes. The  
4 Company is requesting the Commission to approve an increase in the water  
5 tap fees of \$37.00 due to this increased charge by Fripp Island PSD.

6 **Q. PLEASE EXPLAIN EXHIBITS NO. 2 AND 3 OF YOUR REPORT.**

7 **A.** Exhibit No. 2, of the report summarizes the effect of the present and  
8 proposed rates on the Company's operating revenue. Using the Company's  
9 water use analysis for the test year, Table 2 of the application, and the  
10 present rates approved for Harbor Island Utilities, Inc., the Company's  
11 present revenue, after adjustments, should be \$274,108. The Company's  
12 application indicates revenues, after adjustments, of \$256,076 a difference of  
13 \$18,032. Using the proposed rates, the Company would receive \$331,211,  
14 resulting in an increase of \$57,103 or an increase of 20.8%. The reason for  
15 the difference in the Staff's revenues versus Company revenues is that the  
16 Company included 1,000 gallons of water in the base charge; Staff included  
17 the revenue as if the customer had been charged for all water used. Exhibit  
18 No. 3, summarizes the effect of the proposed rates and charges on a  
19 residential customer's water and sewer bill using 5,000 gallons of water per  
20 month.

21 **Q. PLEASE EXPLAIN EXHIBIT NO. 4.**

22 **A.** Exhibit No. 4 is a review of service provided by the Company and contains a  
23 summary of the Business Office Compliance Review Report, an analysis of the  
24 water audit and an analysis of the water and sewer system owned and  
25 operated by the Company.

26 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

27 **A.** Yes it does.  
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